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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with President of Russia

PARTICIPANTS: The President
President Putin

Interpreter: Peter Afansenko
Notetakers: Tina Yarmchuk, Jill Sandler,
Jay Bonds, and Clarence Johnson

DATE, TIME: September 20, 2002, 7:49 - 8:16 a.m. EDT
AND PLACE: Oval Office

The President: Vladimir, how are you today? (U)

President Putin: Thank you very much. I'm very well, and I'm very happy to hear you George. (U)

The President: Thank you very much, and I'm very looking forward to seeing the Ivanov boys today. (U)

President Putin: Thanks. And say hello to them for me. (U)

The President: I'll make sure they come to work. (U)

President Putin: Absolutely right! I've been following your activities lately, and I saw your presentation at the U.N. I believe it was strong, solid, and worthy of the leader of the United States. (U)

The President: Well, thank you very much, Vladimir. It was my honor to give the speech. Let me just give you a quick update. First of all, Sergey and Condi had a good meeting last night. She briefed me fully, and I thank you very much for having this meeting. I fully understand your position. Second, I remember very well what you said in our first conversation. We must have resolutions out of the U.N. that are firm and that accomplish the goal, that do not allow the Iraqis to deceive, move around, and avoid responsibility. I want to stress again to you, Vladimir,

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that I want to work with you, and so does Tony Blair, to come up with a way to hold this regime to account. You are one of our friends and one of the world leaders, and therefore, we must continue to work together. Second, to this end, it is very important for me and you to stay in touch, and for our closest aides to stay in touch, because sometimes foreign ministries do not represent our true opinion. Bureaucracies tend to take our desires and dilute them and distort our views. It's not just our countries, but sometimes that is the case. It's very important for us to keep the dialogue at the senior level. There are some in my administration who wanted to launch military strikes yesterday. I'm not going to do that, but on the other hand, you should know that the military option is available, and if need be, it will be used. And finally, I just want to tell you how pleased I am to have a person I can talk to and trust as opposed to what's going on in Germany. Yesterday, a German minister referred to me in the same tone as Hitler, and I've got to tell you Vladimir, I'm pretty angry about it, and I attribute this irresponsible behavior to Gerhard Schroeder trying to win an election and using me personally and the United States to rile up public opinion. They say I am acting unilaterally, but this is the most unilateral move we've seen from Germany in 50 years, and I just want to share my opinions with you. You don't have to comment, if you don't want to, but as a close friend, I feel better sharing this information. So, thanks for taking my call, and thanks for letting me blow off some steam. (S)

President Putin: Well, George, thank you. First of all, I'd like to restate that I'm very, very happy to hear you, and this is from the bottom of my heart. What is happening in Germany we understand very well, and we also understand that a lot of it is due to the election campaign, but I also agree with you completely that this should not be allowed to be used in order to achieve such important goals as those that we are working on. Allusions to Fascism are totally inappropriate wherever they come from, especially when they come from Germany, and I would like to tell you, George, that we are proceeding on the basis of our interests, of the United States, and Russia, and I can only once again emphasize that our policy is totally consistent with our national interests, and from our side, you will see only positions of principle without other considerations. (S)

The President: Well, thank you. (U)

President Putin: Now, let me turn to the subject at hand: first, as far as Iraq, after I spoke with you, I sent a message to Saddam Hussein. It was not just a message, but more an ultimatum. What we told him, in so many words, is that unless he accepts our requests without any conditions, we will not be able to help him in the U.N. And I can tell you that not only our

pressure, but the pressure of other countries, the U.K., and others has had an effect. And suddenly at this time after our ultimatum, he assumed his current position. Now, let's see what he does in the future. We must also follow up; otherwise, we will look silly, or people might say that what we agreed to, we got, and we don't need to do any more. I told you on many occasions that we cannot allow Iraq to dictate his position to us. I said, and I repeat again, that we must not allow Iraq to dictate our actions. He has agreed to inspections without any conditions. Yesterday, I talked for a long time with Tony Blair, and I can repeat and agree with what he said, and you're saying, that we, the U.K., the U.S., and Russia must continue pressure on Iraq. It is our view that we have to continue our consultations and prepare to take additional steps if he does not follow through. Our people must be ready to act, and the public should be made aware of this. I was pleased to hear that you do not rule out the possibility of a political solution in the Iraq matter. In the meantime, let the diplomats do their job, and we should prepare steps that we might take in the future. Meanwhile, the inspectors go to work. George, I have one thing to ask of you in relation to Iraq. This is a very important issue for us, and I'll be talking with you hopefully as a friend. I want to tell you that our budget revenues depend very much on the sale of energy resources to the external market. Our budget for the next year has been calculated with the assumption that oil prices will be \$21 per barrel. Naturally, if the price falls lower than that, we will have budget problems, and this will be very serious. I would like you to instruct your minister of the economy to meet our minister of economics without any hoopla about it and talk quietly about things that concern us and calculate the economic consequences of developments vis-à-vis Iraq. (S)

The President: Absolutely! I will put my best friend, Don Evans, on the chore. He will do it well. And I fully understand what you're saying, Vladimir. I am very sensitive to it, and we will deal with it. I promise you. (S)

President Putin: I also believe, George, that our coordination on the Middle East is going quite well, but I am looking at the latest aggravations of the situation. (S)

The President: Yes. (U)

President Putin: And second, I was aghast at yesterday's terror attack in Israel in which many people died. It was tragic. And today, I believe your Deputy Secretary of Defense Wolfowitz made a very strong and responsible statement on counter-terrorism and the Middle East. This testifies to the fact that our joint work on combating terrorism is going very well, especially on Georgia,

and it is very good to see that we have more and more friends like this in the United States. You mentioned the meeting that is surely going to take place between our defense and foreign ministers. (S)

The President: Yes. (U)

President Putin: We also have prepared a joint statement on our cooperation on the matter of anti-missile defense, and I hope that we can agree upon it as soon as possible, at our APEC meeting in Mexico. The last thing is that I know that on November 21-22, you'll be in the immediate proximity to our borders for the run-up to the Prague NATO summit. As far as I know, you'll be visiting the Baltic states. I thought I could link up with you on short notice somewhere there, and we could talk. I understand your schedule is going to be very tough, but we could even meet in Kaliningrad, which was formerly Eastern Prussia. We talked about Germany just a while ago, and I recall this. (S)

The President: Well, my instincts on this, Vladimir, are very positive. I think this is a subject for Scheduling, but this would be a very important signal. Again, our relationship is very vital in leading to world peace. I will leave this to Scheduling to make sure it works. Secondly, Vladimir, let me just say before we hang up that I am hopeful we can achieve peace, that we can achieve something other than military action in Iraq. It will require a new resolution to hold Saddam Hussein to account and for him to disarm his weapons of mass destruction. In order for me to think positively, there must be a new resolution. In order to reach a political, or however you want to call it, conclusion, there must be a new resolution from the Security Council. I hope we can work on it, and we need to be tough. Vladimir, I'm sorry, I hate to cut off this conversation, it's been very productive. We will stay in touch, and we'll work hard to make that happen. (S)

President Putin: Well, George, thank you very much for this conversation. I'll give you a bear hug, and all the best to your wife and family. (U)

The President: Alright, my friend. Thank you very much. We'll stay in touch. (U)

President Putin: Bye. (U)

The President: Thank you. Bye. (U)

-- End of Conversation --